



ARRA FUNDS APPROVAL – DEPARTMENT OF WORKFORCE SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN & STEPHEN JARDINE

ISSUE BRIEF

SUMMARY

The Legislature expressed interest in reviewing the federal stimulus or *American Reinvestment and Recovery Act* (ARRA) money separate from the annual review of federal funds. This brief fulfills that request. This brief also reviews the \$97,229,200 ARRA money spent in FY 2012 and ARRA money previously approved for FY 2013. The Analyst recommends approval of the increases in ARRA funding of \$62,162,700 for FY 2013 and \$245,000 for FY 2014 as well as the proposed intent language associated with the FY 2014 increase.

LEGISLATIVE ACTION

1. The Analyst recommends that the Social Services Appropriations Subcommittee approve increased ARRA funds of \$62,162,700 for FY 2013 and \$245,000 for FY 2014 for the Department of Workforce Services.
2. The Analyst recommends the adoption of the intent language starting on page one for all line items with ARRA funding in FY 2014.

DISCUSSION AND ANALYSIS

Limitations on ARRA Spending

Intent language put the following conditions on all of the money passed in FY 2012 and FY 2013:

All General Funds appropriated to the Department of Workforce Services - Operations and Policy line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriations bills passed for FY 2012. If expenditures in this line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to this line item from Federal Funds - American Recovery and Reinvestment Act in FY 2012, the Division of Finance shall reduce the General Fund allocations to this line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

For FY 2014 the Analyst recommends adoption of the following language for every line item where ARRA money is anticipated:

All General Funds appropriated to the Department of (agency name) - (line item name) line item are contingent upon expenditures from Federal Funds - American Recovery and Reinvestment Act (H.R. 1, 111th United States Congress) not exceeding amounts appropriated from Federal Funds - American Recovery and Reinvestment Act in all appropriation bills passed for FY 2014. If expenditures in the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act exceed amounts appropriated to the (line item name) line item from Federal Funds - American Recovery and Reinvestment Act in FY 2014, the Division of Finance shall reduce the General Fund allocations to the (line item name) line item by one dollar for every one dollar in Federal Funds - American Recovery and Reinvestment Act expenditures that exceed Federal Funds - American Recovery and Reinvestment Act appropriations.

FY 2012 Stimulus Funds – Spent vs Approved

The table below details the ARRA money approved vs the ARRA money spent in FY 2012.

ARRA in FY 2012	Approved	Spent	Higher/(Lower) Than
Administration	\$0	(\$400)	(\$400)
Operations and Policy	\$18,714,900	\$9,983,300	(\$8,731,600)
Unemployment Insurance	\$5,904,100	\$356,000	(\$5,548,100)
Unemployment Compensation Fund	\$207,911,700	\$86,890,300	(\$121,021,400)
Housing and Community Development	\$9,848,500	\$0	(\$9,848,500)
Intermountain Weatherization Training Fund	\$175,000	\$0	(\$175,000)
Total	\$242,554,200	\$97,229,200	(\$145,325,000)

As noted in the table above, the Department of Workforce Services recorded spending \$145,325,000 less ARRA money than was approved by the Legislature.

FY 2012 Stimulus Funds – How Was the Money Used?

The money in FY 2012 was used for the following:

1. **Unemployment Compensation Fund** - \$86,890,300 for Emergency Unemployment Compensation benefits and Federal Additional Compensation (additional \$25 per week) benefits.
2. **Operations and Policy** - \$9,983,300 for Back to Work program staff and customer training costs, Health Care Tax Credit staff and customer benefits costs, and State Energy Sector Partnership program staff and customer training benefits.
3. **Unemployment Insurance - Modernization Funding** - \$356,000 for phones, computers, and software.
4. **Administration** - \$400 reduction for an adjustment to administrative costs allocated to ARRA funding.

FY 2013 Stimulus Funds – Previously Approved

1. **Operations and Policy** - \$6,187,900 for Back to Work program staff and customer training costs, Health Care Tax Credit staff and customer benefits costs, and State Energy Sector Partnership program staff and customer training benefits.
2. **Unemployment Compensation Fund** - \$5,000,000 for Emergency Unemployment Compensation benefits.
3. **Unemployment Insurance - Modernization Funding** - \$904,100 for phones, computers, and software.
4. **Housing and Community Development - Weatherization** - \$850,000 for State operational costs and pass through to local agencies.

Stimulus Funds FY 2013 & FY 2014 – Requesting Approval

1. **Administration** - \$158,700 in FY 2013 and \$12,500 in FY 2014 for administrative costs allocated to Temporary Assistance for Needy Families and Health Care Tax Credit funding
2. **Operations and Policy** - \$1,834,000 in FY 2013 for TANF staff and customer benefits costs and \$232,100 in FY 2014 for Health Care Tax Credit staff and customer benefits.
3. **Unemployment Insurance** - \$400 in FY 2014 for administrative hearing costs allocated to Health Care Tax Credit funding.
4. **Unemployment Compensation Fund** - \$60,000,000 in FY 2013 for Emergency Unemployment Compensation benefits.

5. Housing and Community Development - **Weatherization** - \$170,000 for State operational costs and pass through to local agencies.

ARRA in FY 2013	Already Approved	Change Requested
Administration	\$0	\$158,700
Operations and Policy	\$6,187,900	\$1,834,000
Unemployment Insurance	\$904,100	\$0
Unemployment Compensation Fund	\$5,000,000	\$60,000,000
Housing and Community Development	\$850,000	\$170,000
Total	\$12,942,000	\$62,162,700

The FY 2013 approved amount of \$12,942,000 reflects what was approved at the conclusion of the 2012 General Session. As is done annually with all funding sources, the agency has updated their estimated ARRA funds for FY 2013. In this case the estimated funds increased by \$62,162,700. The table above shows additional ARRA funds by line item.

The Department of Workforce Services requests a total of \$245,000 ARRA funds for FY 2014 in the line items shown in the table below:

ARRA in FY 2014	Request
Administration	\$12,500
Operations and Policy	\$232,100
Unemployment Insurance	\$400
Total	\$245,000

Additional information on all ARRA funds used in Utah

- www.recovery.utah.gov
- www.recovery.gov